

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
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TO SECSTATE WASHDC 1922
INFO AMEMBASSY BELGRADE
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E.O. 11652: N/A

TAGS: PGOV, PINT, AU
SUBJECT: GOVERNMENT RESHUFFLE IN WAKE OF DEFENSE MINISTER'S
RESIGNATION

RER: VIENNA 4415

1. BEGIN SUMMARY: RESIGNATION OF DEFENSE MINISTER
LUETGENDORF TRIGGERED RESHUFFLE OF KREISKY
GOVERNMENT, INVOLVING FOUR NEW MINISTERIAL APPOINTMENTS. THREE
OF FOUR SHIFTS HOWEVER TOOK PLACE WITHIN GOVERNMENT MEMBERSHIP,
WITH INTERIOR MINISTER ROESCH TAKING OVER AT DEFENSE AND
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TRANSPORT MINISTER LANC MOVING TO INTERIOR MINISTRY. ALL
APPOINTEES ARE SOCIALISTS AND HAVE PRIOR RELATED EXPERIENCE
IN THEIR NEW FIELD OF RESPONSIBILITY. CHANGES CAN BE READ AS
STRENGTHENING KREISKY GOVERNMENT. AT SAME TIME DECISION
ON FUTURE OF NUMBER OF KNOWN WEAK PERFORMERS IN
GOVERNMENT HAS BEEN POSTPONED, PROBABLY UNTIL 1978 WHEN
LAST RESHUFFLE BEFORE 1979 NATIONAL ELECTIONS

IS LIKELY TO TAKE PLACE. END SUMMARY.

2. CHANCELLOR KREISKY ANNOUNCED ON MAY 31 RESHUFFLE OF HIS GOVERNMENT, INVOLVING FOUR MINISTERIAL CHANGES, IN WAKE OF FORMAL RESIGNATION ON SAME DAY OF DEFENSE MINISTER LUETGENDORF. FOLLOWING CHANGES ARE PROJECTED:

A. OTTO ROESCH (FORMERLY INTERIOR MINISTER) BECOMES DEFENSE MINISTER;

B. ERWIN LANC (TRANSPORT MINISTER) - INTERIOR MINISTER;

C. KARL LAUSECHER (STATE SECRETARY) - TRANSPORT MINISTER;

D. FRANZ LOESCHNAK (PERSONNEL CHIEF IN VIENNA MUNICIPAL ADMINISTRATION) - STATE SECRETARY FOR PERSONNEL AFFAIRS.

FOREGOING PROJECTED SHIFTS ARE EXPECTED TO RECEIVE PRO FORMA APPROVAL OF SOCIALIST PARTY'S NATIONAL EXECUTIVE BOARD JUNE 7 AND TAKE EFFECT JUNE 8.

3. ROESCH'S APPOINTMENT AS DEFENSE MINISTER WAS LOGICAL AND LONG ANTICIPATED MOVE. HE MEETS TWO BASIC CRITERIA FOR POSITION: HE HAS SOLID SOCIALIST CREDENTIALS AND COMPETENCY IN DEFENSE MATTERS (DEFENSE STATE SECRETARY 1959 TO 1966). HIS TAKING OVER AT DEFENSE WILL GREATLY HELP PARTY IN PUTTING DEFENSE MINISTRY IN ORDER. WHILE LIMITED OFFICIAL USE

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IT IS TOO EARLY TO GAUGE ROESCH'S PROBABLE IMPACT ON DEFENSE POLICY, IT IS SAFE TO ASUME THAT HE WILL FOLLOW POLICY LEAD OF KREISKY ON SUBJECT, WHICH IS ONE OF NEGLECT OF INVESTING PUBLIC FUNDS IN DEFENSE.

4. ERWIN LANC, WHO TAKES OVER AS INTERIOR MINISTER, WAS SELECTED BY KREISKY FOR THE JOB BECAUSE OF "GOOD ORGANIZATIONAL TALENT, SENCE OF FIRMFNESS, AND ABILITY TO ESTABLISH RAPPORT WITH SUBORDINATES." LANC, WHO IS 47, IS PRODUCT OF TRADITIONAL SOCIALIST CAREER LADDER IN VIENNA - YOUTH FUNCTIONARY, DISTRICT CHAIRMAN, PARLIAMENTARY DEPUTY, MINISTER. HE HAS SOLID POLITICAL BASE IN ORTHODOX SOCIALIST CIRCLES IN VIENNA AND HIS PROMOTION WILL NO DOUBT STRENGTHEN HIS STANDING IN PARTY.

5. CHOICE OF LAUSECHER FOR TRANSPORT MINISTER REFLECTS, ACCORDING TO KREISKY, LAUSECHER'S COMMENDABLE PERFORMANCE HERETOFORE LAUSECHER WILL FIND HIS EARLIER EXPERIENCE AS TOP PERSONNEL CHIEF IN KREISKY GOVERNMENT AS WELL AS

HIS TRADE UNION BACKGROUND USEFUL IN ADMINISTERING
TRANSPORT MINISTRY WITH IT TENS OF THOUSANDS OF
EMPLOYEES IN RAILROAD, POSTAL AND COMMUNICATIONS SERVICES.

6. LOESCHNAK, WHO AT 37 IS YOUNGEST AMONG FOUR
MINISTERIAL APPOINTMENTS, HAS BEEN WORKING ON PERSONNEL
MATTERS IN VIENNA CITY HALL SINCE 1964, BECOMING DIRECTOR
OF OFFICE IN 1970. HERE AGAIN, PRIOR EXPERIENCE IN MAJOR
FIELD OF RESPONSIBILITY SEEMED TO BE MAJOR CONSIDERATION
IN MAKING APPOINTMENT.

7. FOREGOING PROJECTED SHIFTS REPRESENT A STRENGTHENING
OF SOCIALIST CHARACTER OF KREISKY GOVERNMENT BY
ELIMINATING NON-SOCIALIST MINISTER AT DEFENSE MINISTRY
AND MOVING UP WHAT APPEAR TO BE TRIED AND TESTED
SOCIALISTS TO POSITIONS OF INCREASED RESPONSIBILITY.
NOTEWORTHY IS FACT THAT ALL CHANGES INVOLVED SHIFTS IN
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PERSONNEL ALREADY LOCATED IN VIENNA. ABSENCE OF ANY
CALL-INS FROM PROVINCES IS LIKELY TO BE DISAPPOINTING
TO SOCIALIST LEADERS IN PROVINCES. ABSENCE FROM
RESHUFFLE LIST OF SEVERAL KNOWN LESS-THAN-SATISFACTORY
MINISTERIAL PERFORMERS (HEALTH MINISTER LEODOLTER,
STATE SECRETARY FOR FAMILY AFFAIRS KARL AND STATE
SECRETARY FOR DEVELOPMENT VESELSKY) SUGGESTS THAT KREISKY
WILL CARRY OUT ONE MORE GOVERNMENTAL RESHUFFLE, PROBABLY
IN 1978, BEFORE 1979 NATIONAL ELECTIONS. AT THAT TIME
ONE OR MORE PROVINCIAL SOCIALIST LEADERS, INCLUDING
TYROLEAN SPO CHAIRMAN SALCHER, ARE LIKELY TO BE OFFERED
POSTS IN KREISKY GOVERNMENT. MEEHAN

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